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C O N F I D E N T I A L SECTION 01 OF 02 MANILA 002993

SIPDIS

DEPT FOR EAP, EAP/PMBS, INR/EAP

E.O. 12958: DECL: 06/29/2015

TAGS: [PGOV](#) [PINS](#) [PINR](#) [RP](#)

SUBJECT: ARROYO CLEANING HOUSE AS OPPONENTS STILL DENOUNCE

REF: A. OPS CENTER - MANILA 06/29/05 TELECON

- [B](#). MANILA 2887
- [C](#). MANILA 2840
- [D](#). MANILA 2815
- [E](#). 04 MANILA 2231

Classified By: Political Officer Timothy L. Cipullo for reasons 1.4 (b) and (d).

[1](#). (C) Summary: According to President Arroyo, husband Jose Miguel "Mike" Arroyo has now "volunteered to go abroad." Susan Roces, the widow of former presidential candidate Fernando Poe Jr., called for Arroyo's immediate resignation, while privately indicating through an intermediary that she did not plan to lead a political opposition movement or encourage "people power." Representative Roilo Golez, Arroyo's former National Security Adviser, also called for Arroyo's resignation as he quit her coalition partner party. Arroyo continues to staunch the bleeding from recent scandals and she appears increasingly likely to weather this storm. End Summary.

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Bye, Bye, Hubby  
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[2](#). (SBU) In a televised June 29 speech before business leaders, President Arroyo announced that husband Jose Miguel "Mike" Arroyo -- who has been accused of profiting from illegal gambling -- had "volunteered to go abroad," but did not provide further details regarding his specific plans or destination. Arroyo expressed hope that this step would dispel long-standing allegations that the First Gentleman and his contacts had undue influence over certain government agencies. The visibly exhausted Arroyo said that "I am grateful to my husband for his sacrifice; my family will miss him terribly." She made no mention of the possible resignations of son Representative Juan Miguel "Mikey" Arroyo or brother-in law Representative Jose Ignacio "Iggy" Arroyo. Iggy Arroyo announced June 28 that he has no plans to do so. (Note: Acting Pol/C is scheduled to meet with Mikey Arroyo on June 30. end note)

[3](#). (U) The rest of Arroyo's ten minute address highlighted her administration's economic reform plans. Arroyo said her husband's exit would help her demonstrate that "nothing can stop my administration from implementing phase two of my reform program," which would include increased investments in necessary public services. Arroyo warned the audience of the need to fortify the GRP's economic policies in order to confront difficult external economic challenges, in particular the rising price of oil.

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Roces Steps up, sort of  
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[4](#). (U) Also on June 29, FPJ widow Susan Roces called for Arroyo's immediate resignation at a press conference. Roces accused Arroyo of having "stolen the Presidency not once, but twice." She added that Arroyo was "arrogant," had destroyed the people's trust and, thus, had no right to lead. Roces said the opposition had plans to change the government, but said she could not reveal details yet. When questioned whether she would ask Filipinos to take to the streets to protest against Arroyo, Roces responded, "You start it and I will finish it," borrowing a popular movie line from her late husband.

[5](#). (C) In a subsequent meeting with A/DCM, former Sandiganbayan Justice and COMELEC chairman (under President Estrada) Harriet Demetriou -- who is also personal legal counsel to Susan Roces -- clarified that Roces did not intend to head any political opposition movement or to support or even condone any new "people power movement," which Demetriou said Roces saw as potentially disastrous to the Philippines. She indicated that she and Roces intended instead to focus their energies on reform of the electoral process, especially COMELEC itself, and heighten public attention to the need for "moral leadership." A/DCM underlined U.S. support for transparency, accountability, and the rule of law, and emphasized that the USG would not support any extralegal attempts to change the government. Roces has accepted the

invitation to Embassy's July 4 reception, and Demetriou confirmed that Roces will attend.

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Turning on the President  
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16. (C) Representative Roilo Golez, Arroyo's National Security Adviser 2001-04, publicly demanded on June 28 that Arroyo resign due to "Gloria-gate" and told the media that "the President is now in an untenable position (and) she cannot any longer lead and govern. Her image and the country's image are in pathetic state..." On June 29, during the ongoing House hearings into the tapes controversy, Golez then publicly announced his resignation from the KAMPI Party, which is closely allied with the President. Golez proceeded to recuse himself from the hearings and announced his resignation as Chairman of the National Defense Committee. Senate President Franklin Drilon -- a key GMA ally -- separately urged the President to show she is "serious in taking steps to restore the people's trust in her" or risk losing his own support.

17. (SBU) An impeachment motion against Arroyo over the tapes sponsored by a private citizen has now gained a sponsor in the House, as required by the rules. Representative Rodante Marcoleta of the small Alagad party announced that he thought the petition deserved a hearing. Marcoleta is believed to be the only member in the House belonging to the Iglesia ni Cristo (INC), an influential religious denomination (ref E), which supported Arroyo's election bid in 2004.

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Comment  
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18. (C) As with her announcement on June 27 apologizing for improper discussions with an election official, Arroyo's remarks regarding her husband are a bid to staunch the bleeding from recent scandals. Mike Arroyo has always been a very controversial figure and his departure from the country could help earn Arroyo some breathing space. The momentum of attacks against her appear to have slowed, although Golez's defection is a surprise blow. Golez's reported unpopularity with many House colleagues may limit the impact of this move. Once again, Susan Roces deliberately avoided taking up a call to the streets and dampened the hopes of the opposition for a powerful rallying force against the President, whom she clearly nonetheless detests. Embassy has quietly encouraged many members of the media and civil society to focus on institutional and systemic reforms, especially on the electoral process, rather than seeking extralegal measures. Roces' interest in such measures could help coalesce support for such needed reform, although not in time for the August 8 elections in the Autonomous Region in Muslim Mindanao.

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